

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, FINANCE AND
ACCOUNTABILITY

TODD RUSSELL PLATTS, CHAIRMAN



Oversight Hearing:

***“Financial Management Challenges
at the General Services Administration”***

*Wednesday, June 7, 2006, 2:00 p.m.
Room 2154 Rayburn House Office Building*

OPENING STATEMENT

Operations at the General Services Administration affect the entire Federal government. GSA is the government’s business manager. All Federal agencies rely on GSA for support services and management guidance. In addition to this important mission, GSA is the lead agency for the Office of Management and Budget’s Financial Management Line of Business, and it is one of four designated Shared Services Providers. In this dual role, GSA will not only bid to provide financial management services for other Federal agencies, it will set the standards for the government-wide implementation of this critical Line of Business.

For these reasons, the Subcommittee was deeply troubled when GSA was unable to earn a clean opinion on its audited financial statements. Coming on the heels of improper acquisition practices that were uncovered three years ago and the prospect of declining revenues, this hearing will provide an important discussion of what GSA is doing to improve management functions and to restore faith in its business practices.

This is a critical time for GSA. The Agency has a significant reorganization underway, new leadership in several key positions – including a new Administrator, increased internal controls requirements and the added challenge of managing a government-wide initiative with broad implications. As GSA rebuilds its reputation, sound financial management must serve as the foundation.

We are pleased to have with us today **Ms. Kathleen Turco**, Chief Financial Officer at GSA and **Mr. Eugene L. Waszily, Jr.**, Assistant Inspector General for Auditing. Thank you both for being here, and we look forward to your testimonies and to working with you in the future.